

Article 7.7. California Physician Corps Loan Repayment Program

2154. There is hereby established in the Division of Licensing of the Medical Board of California, the California Physician Corps Loan Repayment Program of 2002, which shall become operative on January 1, 2003. This program shall be known and may be cited as the California Physician Corps Loan Repayment Program of 2002.

2154.1. It is the intent of this article that the Division of Licensing, in consultation with the Office of Statewide Health Planning and Development, the medical community, including ethnic representatives, medical schools, health advocates representing ethnic communities, primary care clinics, public hospitals and health systems, statewide agencies administering state and federally funded programs targeting underserved communities, and members of the public with health care issue-area expertise shall develop and implement the California Physician Corps Loan Repayment Program of 2002.

2154.2. For the purposes of this article, the following terms have the following meanings:

- (a) "Division" means the Division of Licensing.
- (b) "Office" means the Office of Statewide Health Planning and Development (OSHPD).
- (c) "Program" means the California Physician Corps Loan Repayment Program.
- (d) "Medically underserved area" means an area as defined in Part 5 of Chapter 1 of Title 42 of the Code of Federal Regulations or an area of the state where unmet priority needs for physicians exist as determined by the Health Manpower Policy Commission pursuant to Section 128225 of the Health and Safety Code.
- (e) "Medically underserved population" means the Medi-Cal, Healthy Families, and uninsured populations.
- (f) "Practice setting" means:
 - (1) A community clinic as defined in subdivision (a) of Section 1204 and subdivision (c) of Section 1206 of the Health and Safety Code, a clinic owned or operated by a public hospital and health system, or a clinic owned and operated by a hospital that maintains the primary contract with a county government to fulfill the county's role pursuant to Section 17000 of the Welfare and Institutions Code, which is located in a medically underserved area and at least 50 percent of whose patients are from a medically underserved population.
 - (2) A medical practice located in a medically underserved area and at least 50 percent of whose patients are from a medically underserved population.
- (g) "Primary specialty" means family practice, internal medicine, pediatrics, or obstetrics/gynecology.
- (h) "Medi-Cal threshold languages" means primary languages spoken by limited-English proficient (LEP) population groups meeting a numeric threshold of 3,000, eligible LEP Medi-Cal beneficiaries residing in a county, 1,000 Medi-Cal eligible LEP beneficiaries residing in a single ZIP Code, or 1,500 LEP Medi-Cal beneficiaries residing in two contiguous ZIP Codes.
- (i) "Fund" means the Community Healthcare Services Expansion Fund.

(j) "Account" means the Medically Underserved Account which is contained within the fund.

2154.3. (a) Program applicants shall possess a current valid license to practice medicine in this state issued by the board pursuant to Section 2050.

(b) The division, in accordance with Section 2154.1, shall develop the guidelines for selection and placement of applicants.

(1) Guidelines shall provide priority consideration to applicants that are best suited to meet the cultural and linguistic needs and demands of patients from medically underserved populations and shall meet one or more of the following criteria:

(A) Speak a Medi-Cal threshold language.

(B) Come from an economically disadvantaged background.

(C) Have received significant training in cultural and linguistically appropriate service delivery.

(D) Have three years of experience working in medically underserved areas or with medically underserved populations.

(E) Have recently obtained their license to practice medicine.

(2) The guidelines shall include a process for determining the needs for physician services identified by the practice setting. At a minimum, the practice setting shall meet the following criteria:

(A) The practice setting shall be located in a medically underserved area.

(B) The practice setting shall ensure that the program participant serves a patient population that consists of at least 50 percent medically underserved populations.

(3) The guidelines shall give preference to applicants who have completed a three-year residency in a primary specialty.

(4) Guidelines shall seek to place the most qualified applicants under this section in the areas with the greatest need.

(5) Guidelines shall include a factor ensuring geographic distribution of placements.

(c) The division may fill up to 20 percent of the available positions with program applicants from specialties outside of the primary care specialties.

(d) Program applicants shall be working in or have a signed agreement with an eligible practice setting. The program participant shall have full-time status. Full-time status shall be defined by the division and the division may establish exemptions to this requirement on a case-by-case basis.

(e) Program participants shall commit to a minimum of three years of service in a medically underserved area. Leaves of absences will be permitted for serious illnesses, pregnancy, or other natural causes. The division, in accordance with Section 2154.1, shall develop the process for determining the maximum permissible length of an absence and the process for reinstatement. Loan repayment shall be deferred until the physician is back to full-time status.

(f) The division, in accordance with Section 2154.1, shall develop the process should a physician be unable to complete his or her three-year obligation.

(g) The division, in accordance with Section 2154.1, shall develop a process for outreach to potentially eligible applicants.

(h) The division may adopt any other standards of eligibility, placement, and termination appropriate to achieve the aim of providing competent health care services in these approved practice settings.

2154.4. (a) The Medically Underserved Account is hereby created in the Contingent Fund of the Medical Board of California.

(b) The sum of three million four hundred fifty thousand dollars (\$3,450,000) is hereby authorized to be expended from the Contingent Fund of the Medical Board of California on this program. These moneys are appropriated as follows:

(1) One million one hundred fifty thousand dollars (\$1,150,000) shall be transferred from the Contingent Fund of the Medical Board of California to the Medically Underserved Account on July 1, 2003. Of this amount, one hundred fifty thousand dollars (\$150,000) shall be used by the Medical Board of California in the 2003-04 fiscal year for operating expenses necessary to manage this program.

(2) One million one hundred fifty thousand dollars (\$1,150,000) shall be transferred from the Contingent Fund of the Medical Board of California to the Medically Underserved Account on July 1, 2004. Of this amount, one hundred fifty thousand dollars (\$150,000) shall be used by the Medical Board of California in the 2004-05 fiscal year for operating expenses necessary to manage this program.

(3) One million one hundred fifty thousand dollars (\$1,150,000) shall be transferred from the Contingent Fund of the Medical Board of California to the Medically Underserved Account on July 1, 2005. Of this amount, one hundred fifty thousand dollars (\$150,000) shall be used by the Medical Board of California in the 2005-06 fiscal year for operating expenses necessary to manage this program.

(c) Funds placed into the Medically Underserved Account shall be used by the board to repay the loans per agreements made with physicians.

(1) Funds paid out for loan repayment may have a funding match from foundation or other private sources.

(2) Loan repayments shall not exceed one hundred five thousand dollars (\$105,000) per individual licensed physician.

(3) Loan repayments shall not exceed the amount of the educational loans incurred by the physician applicant.

(d) Notwithstanding Section 11005 of the Government Code, the board may seek and receive matching funds from foundations and private sources to be placed into the Medically Underserved Account. The board also may contract with an exempt foundation for the receipt of matching funds to be transferred to the Medically Underserved Account for use by this program.

2154.5. The terms of loan repayment granted under this article shall be as follows:

(a) After a program participant has completed one year of providing services as a physician in a medically underserved area, the division shall provide up to twenty-five thousand dollars (\$25,000) for loan repayment.

(b) After a program participant has completed two consecutive years of providing services as a physician in a medically underserved area, the division shall provide up to an

additional thirty-five thousand dollars (\$35,000) of loan repayment, for a total loan repayment of up to sixty thousand dollars (\$60,000).

(c) After a program participant has completed three consecutive years of providing services as a physician in a medically underserved area, the division shall provide up to a maximum of an additional forty-five thousand dollars (\$45,000) of loan repayment, for a total loan repayment of up to one hundred five thousand dollars (\$105,000).

2154.6. Pursuant to Section 2313, the division shall also include the following in its annual report:

- (a) Number of the program participants.
- (b) Practice locations.
- (c) Amount expended for the program.
- (d) Information on annual performance reviews by the practice settings and program participants.

2154.7. (a) On January 1, 2003, applications from physicians for program participation may be submitted.

(b) The division shall report to the Legislature, no later than October 1, 2004, the experience of the program since the inception, an evaluation of its effectiveness in improving access to health care for underserved populations, and recommendations for maintaining or expanding its operation.

(c) The division may promulgate emergency regulations to implement the program.